

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00
SAJ-01 EB-08 COME-00 INT-05 IO-13 NSC-05 NRC-05
OES-06 DODE-00 FEA-01 /103 W
-----012320 099915 /66

R 012217Z MAR 77
FM AMEMBASSY OTTAWA
TO AMEMBASSY BUCHAREST
INFO SECSTATE WASHDC 2622
ERDAHQS WASHDC

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ERDA FOR HELFRICH

EO 11652: GDS
TAGS: ENRG, RO, CA
SUBJECT: CANADIAN-ROMANIAN NUCLEAR COOPERATION

REF: BUCHAREST 1247; BUCHAREST 1252

1. SCICOUNS TALKED TO LEAIST OF AECL AND DEACEY OF ENERGY MINISTER GILLESPIE'S OFFICE. STATEMENT BY GILLESPIE WAS IN RESPONSE TO QUESTIONS BY FLORA MACDONALD, M.P. FROM KINGSTON, ON EXPORT OF CANDU DESIGN AND ENGINEERING. ROY THOMAS OF AECL WAS CALLED BY UPI REPORTER AND INTERVIEWED ON PHONE SO NO TEXT AVAILABLE.

2. EXCHANGE IN COMMONS ON 23 FEBRUARY 1977 AS FOLLOWS:
BEGIN TEXT. ENERGY. CANDU REACTOR--PROPOSED LICENSING AGREEMENT WITH RUMANIA--GOVERNMENT POSITION.

MISS FLORA MACDONALD (KINGSTON AND THE ISLANDS): MR. SPEAKER, MY QUESTION IS FOR THE MINISTER OF ENERGY, MINES AND RESOURCES. WILL THE MINISTER CONFIRM THAT THE GOVERN-
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MENT IS IN THE PROCESS OF NEGOTIATING A LICENSING ARRANGEMENT WITH RUMANIA TO SUPPLY THAT COUNTRY WITH THE DESIGN OF THE CANDU REACTOR AND THE ENGINEERING HELP TO BUILD IT? AND, IF SO, CAN THE MINISTER SAY HOW THIS CONFORMS WITH THE SENTIMENTS EXPRESSED YESTERDAY BY THE PRIME MINISTER THAT NUCLEAR PROLIFERATION AND NUCLEAR SAFEGUARDS ARE THE KIND OF ISSUES THAT WILL DETERMINE THE STABILITY OF TOMOR-

ROW'S WORLD? WILL THE MINISTER PLEASE EXPLAIN HOW A NUCLEAR LICENSING ARRANGEMENT WITH RUMANIA IS CONTRIBUTING TO THAT STABILITY?

HON. ALASTAIR GILLESPIE (MINISTER OF ENERGY, MINES AND RESOURCES): MR. SPEAKER, I CAN CONFIRM THAT ATOMIC ENERGY OF CANADA LIMITED HAS BEEN IN NEGOTIATION WITH RUMANIAN AUTHORITIES WITH REGARD TO THE PURCHASE OF EQUIPMENT AND THE LICENSING ASSOCIATED WITH A CANDU REACTOR. I THINK THE HON. LADY SHOULD KNOW THAT NO DEAL WILL BE MADE, NO LICENCE ARRANGEMENT WILL BE SIGNED, EVEN THOUGH THERE WILL BE SUBSTANTIAL BENEFITS TO CANADA, PROBABLY IN THE ORDER OF \$300 MILLION.

SOME HON. MEMBERS: OH, OHH

MR. HORNER: YOU MEAN WE WILL LOSE THAT MUCH ON THE DEAL.

MR. GILLESPIE: MR. SPEAKER, THE STRANGE THING ABOUT THE OPPOSITION IS THAT ONE MOMENT THEY ARE COMPLAINING WE ARE NOT INTERESTED IN UNEMPLOYMENT. THE NEXT MOMENT, WHEN THERE IS AN EXPORT OPPORTUNITY, THEY ARE HOLLERING BECAUSE THEY DO NOT WANT US TO TAKE ADVANTAGE OF THAT OPPORTUNITY. IF THEY WOULD DEAL WITH THE ISSUE SERIOUSLY AND PERMIT ME TO GIVE THEM A SERIOUS ANSWER, I WOULD LIKE TO DO THAT. THE POINT I MADE IS VERY IMPORTANT. CANADIANS REALIZE THERE WOULD BE THOUSANDS OF JOBS ASSOCIATED WITH THE SALE TO RUMANIA. IT IS ALSO VERY IMPORTANT THAT CANADIANS AND THE MEDIA UNDERSTAND THE GOVERNMENT WILL NOT AUTHORIZE ANY LICENSING AGREEMENT TO RUMANIA UNLESS THE FULL SAFEGUARDS

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THAT CANADA WOULD INSIST UPON WOULD BE PUT IN PLACE BY RUMANIA. IT IS ALSO IMPORTANT THAT THE HON. LADY REALIZE THAT RUMANIA IS A SIGNATORY TO THE NUCLEAR NON-PROLIFERATION TREATY.

MISS MACDONALD: WHILE THERE MAY BE COMMERCIAL CONSIDERATIONS, THERE ARE ALSO VERY STRONG MORAL CONSIDERATIONS IN THIS QUESTION. CAN THE MINISTER SAY IF IN THESE DISCUSSIONS THAT ARE NOW TAKING PLACE, IT IS THE POLICY OF THE GOVERNMENT TO SUPPLY WARSAW PACT COUNTRIES WITH NUCLEAR FACILITIES, BEARING IN MIND THAT THESE COUNTRIES ARE NORMALLY DOMINATED BY THE U.S.S.R. WHICH REFUSE TO ALLOW IAEA INSPECTIONS, EVEN THOUGH THEY MAY HAVE RATIFIED THE NPT? CAN HE TELL THE HOUSE IF CANADA HAS DISCUSSED THIS SALE WITH OUR NATO ALLIES AND WHAT THEIR REACTION IS TO THIS NEW DIRECTION IN OUR NUCLEAR POLICY?

MR. GILLESPIE: MR. SPEAKER, THERE ARE A NUMBER OF POINTS WHICH I THINK THE HON. LADY DOES NOT FULLY UNDERSTAND.

SOME HON. MEMBERS: OH, OH*

MISS MACDONALD: I HAVE BEEN BRIEFED AND YOU HAVEN'T.

MR. GILLESPIE: IF YOU WANT TO DEBATE THE ISSUE, WHY DON'T YOU WAIT BECAUSE WE ARE GOING TO DEAL WITH ENERGY POLICY THIS AFTERNOON? PERHAPS THAT WOULD BE THE TIME TO MAKE YOUR DEBATING POINT. IF YOU WANT AN ANSWER TO THE QUESTION I WILL GIVE YOU ONE. I DO NOT THINK YOU UNDERSTAND THAT RUMANIA IS PRESENTLY INSTALLING A NUCLEAR FACILITY. IF YOUR FEAR IS THAT CANADA WILL BE PROVIDING TO RUMANIA A FACILITY WHICH WOULD ENABLE RUMANIA OR OTHER COMMUNIST NATIONS TO BUILD THE BOMB, QUITE CLEARLY YOU ARE WORKING

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ON THE WRONG ASSUMPTION. THE SECOND POINT IS THAT WE WILL NOT AUTHORIZE SUCH A SALE UNLESS THERE ARE IAEA INSPECTIONS WITH RESPECT TO SUCH AN INSTALLATION. END TEXT.

3. ROY THOMAS, ACCORDING TO LEAIST, WAS ASKED BY UPI ABOUT STATUS OF CANADA/ROMANIA REACTOR DEAL. THOMAS STATED THAT A LICENSING AGREEMENT HAS BEEN INITIALED, AND THAT SEPARATE AGREEMENT TO PROVIDE ENGINEERING SERVICES IS BEING NEGOTIATED. HE POINTED OUT THAT BOTH AGREEMENTS MUST BE APPROVED BY GOC AFTER NEGOTIATION BY AECL.

4. COMMENT: THE LICENSING AGREEMENT WAS INITIALED LAST SUMMER AND CURRENT VISIT OF STANCIU IS TO NEGOTIATE DETAILS ON PRICES AND GUARANTEES. ACCORDING TO LEAIST, PRO-

POSED ENGINEERING SERVICES AGREEMENT HAS BEEN INITIALED
"IN PART" BUT THERE STILL IS QUESTION OF ACCOMMODATIONS
AND LIVING COSTS FOR AECL ENGINEERS IN ROMANIA. ALSO
REMAIN QUESTIONS OF A) AECL GUARANTEES ON REACTOR,
B) LICENSE FEE, AND C) EXPORT TO THIRD COUNTRIES. AECL
TARGET IS END OF APRIL TO COME UP WITH COST NUMBERS FOR
ENGINEERING SERVICES. ENDERS

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Message Attributes

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Copy: SINGLE
Sent Date: 01-Mar-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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